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Living democracy.
The competitive advantage of the voluntary organisation?

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Abstract

Isomorphic processes are a challenge to voluntary organisations. The paper makes a theoretically discussion of the trends in this field, and debates if voluntary organisations are loosing their unique features as organizers of citizens free will. In the light of J.G. Marchs theory of exploration and exploitation the paper examines the concept of living democracy, as a way to prevent the decline of voluntary organisation. Living democracy can be seen as a kind of competitive advantage that either state or business corporations can imitate.

Problematic:

In this paper I will address the following question:

Is the concept of voluntary organisation an anachronism, or are processes of living democracy the way to re-invent voluntary organisation?

This question is not only vital for the community of voluntary organisations. Is it also vital for the broader society, because it deals with fundamental issues of old and new ways of making changes, based on democratic communication.

Voluntary *work* can be defined as unpaid work, made for the benefit of others in a formal organised setting (Koch-Nielsen et al. 2005:16). More briefly it can be seen as the ‘free will’ of the citizens (Henriksen 1999:115). In that sense voluntary organisation has a long tradition for organising the free will of the citizens.

But the concept of ‘the voluntary sector’ is a construction, associated with a range of rather old organisations (Ibsen and Habermann 2005:2). As society is changing voluntary work will find new ways, and new organizational concepts will be constructed; old ways of organising will decline together with old concept like “third sector” and “voluntary sector”. But the question is what kind of concepts – and what are the consequences of these changes?

Today we see more and more empirical evidence that paid professional business organisation is combined with voluntary work in new ways. Voluntary work doesn’t have to be carried out in voluntary organisations (Wijkström 2001:136). Instead the organisation of voluntary work deals with the connections between universal values, paid professional organisers and networking/project-oriented praxis.

In this paper I will start with presenting a *new institutional* perspective upon voluntary organisation. Next I will discuss the use of J.G. March’s theory of *exploration and exploitation* to analyse the main-question of the paper. To broaden the perspective of the theory I will use the work of Pierre Bourdieu and his concept of *symbolic capital* and Karl Weick and his concept of *sense making*.

Apples or pears?

According to Peter Drucker (1994) non-profit organisations (as well as voluntary organisations) have a unique capability. Their product is to make a change in people’s life. Sports, education, health and charity work are all means in improving people’s life. This has led to the assumption that leaders of voluntary organisations address specific challenges that leaders of the public sector or the private sector do not (Hailey 2002). The cause – to improve people’s life is seen as key-characteristic of the value based management of successful voluntary/non-profit organisation:

”Starting a nonprofit organization without thoroughly developed its mission and a set of values to guide its operations is depriving it of its heart. Values – the differentiating factor in nonprofit organizations – must guide all the actions undertaken by civil society organizations [...] If these values are not clear and shared by all members, and collaborators, or have not even been set forth, organizations may easily fall prey to external and internal contradictions. At the same time, organizations need to know their mission – the purpose of their existence – before they start operating in society.” (Vernis et al. 2006:16)

The problem is that today the very same words could easily be said about any organisation – public, business or voluntary/non-profit. Value based management as well as professional business approach can easily be found in both business companies as well as voluntary/non-profit organisations (Christensen and Molin 1995:15).

This development has been described thoroughly in the new institutional theory (DiMaggio and Powell 1991; Meyer and Rowan 1991). The key-notion is that *isomorphic* processes that goes under headlines like professionalism, CSR, value-based management, triple bottom line etc. shapes the organisational life everywhere.

The theoretical question asked here, is, whether we are witnessing the decline of voluntary organisation? In other words: Is the voluntary organisation becoming less and less unique?

Today voluntary organisations meet political demands to be efficient, rational and accountable. They must be professional, rational actors, in exchange for public or private support and funding (Selle and Øymur 1995:240). This regime of efficiency (Høgsbro 1995:276) is the very same demands state institutions and private companies have been dealing with for decades.

Public funding is often followed with the demands that the purpose and means of the voluntary organisations must be more precise. According to Ibsen & Haberman (2005:41) the consequence is that fewer voluntary organisations view themselves, as social movements based upon an idea. Voluntary work becomes functionalistic care taking, deprived its political and ideological nerve (Selle and Øymur 1995; Lorentzen 2001)

The isomorphic processes blur the borders between state, business and civil society, and we see just one big grey mass of rationalised organisations emerge. Even voluntary organisation adopts business rhetoric: volunteers become *stakeholders*, users become *customers*, the state and private sponsors become *business partners*, etc. This could be a dystrophic view that tells a story of the decline of the voluntary organisation.

Exploration-exploitation

But maybe the story doesn't end here. There is reason to believe that we should broaden our view from the narrow dystrophic one, to a more complex approach. Still new issues like AIDS, drug-addiction, health and ethnical minorities become the object of voluntary work. For some volunteers the challenge is the ability to connect local activities with global agendas. Still new ways of organising voluntary work emerge, especially at the cultural field. Though they may see themselves as less political or ideological, they are still built upon strong values. It is not just values that come from tradition (Ibsen 1995:234). Maybe they come from isomorphic processes. But could it actually be that some voluntary organisations still create unique ideas?

According to J. G. March organisations are characterized by two types of logic: exploration (play, experiments, change, innovation and breaking routines) and exploitation (consolidation, efficiency, production, formal rules, habits, traditions and routines) (March 1991; 2005). Exploration occurs when people take actions that can be characterized by convictions that are in opposition to the expectations of the rest of the organisation. In this sense they often break the traditions, habits and routines of formal organisation.

The one logic will often dominate the other. But both types of logic are important. Organisations engaged in exploration will experience the expensive costs of experimentation, without gaining any of its benefits. New ideas are often bad ideas or they are not unique enough. Organisations engaged in exploitation will be having trouble finding new products, new ways of communicating and trouble finding new partners.

March argues that fast learning, such as socialisation to official corporate values or isomorphic concepts of rationalisation, is not always best for organisational success. On the other hand slow learning makes exploration possible. Organisations with *slack* (surplus of resources) are slow at

pressing corporate values and rationalistic accountability down the throat of their employees, and by this slow socialisation they will enhance the possibility to be successful.

Exploitation can be seen as the logic of action of formal organisation. But to be able to compete and win the competition organisations must often create a loose coupling between the formal structures (which is often the product of the isomorphic, institutionalised professional or value-based concepts) and informal parts of the organisation (what is actually doing the job). For exterior use the organisation performs a play of connections, causality and clear goals. Formal organisation becomes a ceremony. But inside we find a chaotic environment. In the loose-coupled organisation there is no such thing as given features and clear information. Instead of rational organisations we have loose-coupled organisations nurturing the myth of rationality (see also (Meyer and Rowan 1991)).

The point is that you cannot win by just being isomorphic. You can probably *survive* by just being one of the many grey fruits in the basket, but if you want to *win* the competition; you must create an organisational identity as a colourful apple or pear, through explorative behaviour.

Exploitation: The enchantment of voluntarism

People that are working as volunteers are not pursuing an economic benefit. Instead you could claim that it is another kind of capital that is on stake: The symbolic capital. Voluntarism is a matter of *honour*, the honour of being recognized as active, enthusiastic and a resourceful person (Bourdieu 2003:164).

In this perspective voluntarism becomes a kind of sacrifice. Through rituals the time you spent serving the voluntary organisation becomes a sacred gift. What is happening is a mystification or enchantment of voluntary work. The production of symbolic capital is based on mutual rituals of recognition, where the volunteers enact themselves as good, noble people.

This process of enchantment can speed up the socialisation of the volunteers in an organisation. It becomes important that a new volunteer quickly becomes subordinated to the existing regime of values, so that the routines, rituals and traditions are not being questioned. It creates a focus upon consensus in these organisations, conflict can easily be a taboo, and routine-breaking behaviour can

only be conducted with a high degree of risk. Formal rules, rituals, official values, traditions and routines that sustain myths, will dominate personal meetings. A lot of voluntary organisations are burden with heavy bureaucratic systems, where legitimacy of action rigidly follows presidency of committees, not despite – but *because* of a strong, formalistic democratic tradition (Meyer 1998:32); (Christensen and Isen 2001:147).

The more dominating this enchantment of voluntarism becomes, the less slack the organisation contains. It becomes dominated by exploitation instead of exploration. Bystanders will therefore often experience voluntary organisations as conservative and traditionalistic. The organisation will be more open to people that will not question status quo, and it will be closed to people, in fact strangers, with deviant background and behaviour.

The aim is to find an appropriate balance between the two logics – in explicit decisions as well as in implicit choice of habits, routines, criteria of success, creation of goals and legitimate values (March 2005:156). Many voluntary organisations today try to uphold this balance, when activities of exploration become the job of paid, professional personnel, and voluntary work is shaped in the light of exploitation, as small, well-defined, short-term routine assignments (Ibsen and Habermann 2005:9).

But that does not necessarily create exploration upon the level of action. Instead the voluntary organisation grows in the capability of making creative interpretations of already existing ways of action. It creates an organisation that got an identity as being innovative, but actually is it only changing to a very small degree.

Exploration: Living democracy

Karl Weick's concept of sense making (shortly defined as the ability to construct identity in action) contains an alternative approach for voluntary organisations. According to Weick *precision*, provided by formal procedures like control mechanisms, calculations or accountability, can be an advantage, but it is not a necessary organisational feature. Instead it is more important that sense making are a *social* process. Volunteers must engage in an enactment of organisational identity, which develop answers to questions like: What kind of world they are acting in, and where they are going? And they have to do that on a continuing basis. Sense making is basically learning

processes, and voluntary organisation must enhance their learning potential, to make more exploration.

To some extent voluntary organisation founded as democratic associations, should have good possibilities for creating these decisive sense-making processes. The main management instrument of voluntary people is dialogue. Contrary to a business organisations volunteers can always leave or stay away, if they disagree with management-decisions. They do not depend economically upon their work, as paid personal do. From a traditionally management-view voluntary management could be the recipe for inefficiency and slow adoption to environmental changes. But the dialogue – though it may seem to be slow and inefficient, may contain efficiency in the long run, when goals and means are being negotiated, while new volunteers are being socialised into the organisation, in an appropriate slow speed.

March points out that it is the *different capabilities* or the *diversity* (what the recruits know is not the same) that creates the new learning processes of the organisation that makes exploration possible. Recruits with the same background, same education, same values etc. will reduce the organizations ability to learn something new.

A living democracy is a metaphor for these kinds of processes. This kind of organisation is not based upon power from the top or from traditionalistic value regimes. Instead power and value is created and developed from the bottom of the organisation. A precondition for this living democracy is to clarify divisions of responsibility and the creation of clear flows of internal communication (Meyer 1998:40); (Christensen and Molin 1995:22) A living democracy is an organisational feature voluntary organisation must develop, if they want to be more than just one of the fruits in the grey organisational pie (Meyer 1998:44; Christensen and Molin 1995:15; Christensen 1995:122).

March's perspective could lead us to the conclusion that a low degree of organizational formalisation (less exploitation) is better for voluntary organisations. More formalisation is a waist of resources and could even be negative. But is this completely true? You could claim that organisations all over the world for the last generation has learned about the 'evilness' of nurturing tradition and exploitation as well the blessings that comes from nurturing exploration and

innovation. Organisational leaders have actually tried to implement this view through network- or project organisations, enhanced flexibility and strategic changes. Some researchers believe that this has contributed to a path towards the breakdown of culture and individual spirit (Casey 2004; 1995; Beck 2002; Sennett 1999). But is the rise of 'the exploring organisation' the only way to secure voluntary organisation? Or is it in fact the root of a cynical, flexible risk regime in modern work life? Is formal organization or in fact tradition really that bad? Are all kinds of formal democracy something voluntary associations should abandon? The theory of exploration-exploitation must be seen in the light of these questions.

It is also important to recognize that voluntary organisation and business corporations still have strong interests in maintaining the border between profit- and non-profit organisations. Still the good course of voluntary organisation can make activities like donations possible that corporate business still isn't able to do. In some voluntary organisation the dogma exists that you cannot fire a volunteer. Which business leaders want to imitate that?

It must also be taken into account that maybe there still is a voluntary logic of exploration based on living democracy. Though it may only create a (local) difference. A kind of logic of action business organisations – even though they are rich on fine statements of empowerment, network organisation, ect. - are not willing or able to imitate. Logics of profits and of traditional hierarchies are simply too strong. If that is the case living democracy can be seen as a kind of competitive advantage that either state or business corporations can imitate.

Suggestions for future research:

The theory of exploration-exploitation raises a lot of questions according to both voluntary organisation and organisation in general. In the following part I will try to frame some of these issues in the form of suggestions for future work:

- Highly formalised organisations have difficulties transform into loose-coupled organisations. It is difficult to maintain a profile of being young and enthusiastic, when you are seen as an old and traditionalistic-minded organisation. But there are two things you can do: You can make a significant change in the staff of members, and in fact build a whole new organisation. Or you can experiment with small, local projects, side by side your daily

business. A living democracy does not make this kind of transition easier. On contrary, it is like opening the box of conflict. But a living democracy makes this kind of transition possible. Conflict, democracy and learning in action are connected in this kind of transition.

- Diversity can make a formal organisation more open to a living democracy. But the organisation can also be too inclusive. If that is the case organisational virtues of open-mindedness is a charade for cynical negligence. Inside you will find an environment, which lacks conflict, emotional tension and willingness of learning. In the personal meetings the diversity must slow down the speed of a potential strong socialisation, grounded in traditional or isomorphic values. But it must not make internal relations irrelevant.
- It is possible to maintain an integrated (opposed to diverse) organisation, and still maintain the significant features of voluntary organisation. But it takes two things: a low degree of formalisation – and an ability to stand out from the environment or field of which the organisation is a part. That means a low degree of control of the environment, combined with a high degree of exploration. This kind of organisation will typically be a small, project-oriented and rather young organisation. In other words: The lower degree of formalisation the more of that kind of exploration that makes an outstanding organisational performance compared to the organisational environment.
- While organisations can compensate the low degree of formalisation with an integrated culture, the opposite doesn't have to be an advantage. High control of both the internal and the external environment creates an organisation, that has difficulties of changing. They may be able to survive, by adopting rationales on an isomorphic basis. But they will have difficulties maintaining their uniqueness as a voluntary organisation.
- What we must understand here, studying voluntary organisation, are the complex relations between volunteers with stable (traditional) routine-maintaining behaviour and volunteers with individualistic routine-breaking behaviour. This is a key to understand internal change in voluntary organisation. Explorers are trying to break traditional borders in the attempt to satisfy their own dreams and visions. But they cannot pursue the aims and values of their own individual passion without knowing that there is someone else in the organisation that

will disagree with them. In other words: *You can't go explore, if you don't know the borders you have to cross.*

- Formal organisation and tradition still play an important role in voluntary organisation. It is not just an expression of rationalistic formalism that imprisons all organisational members in isomorphic processes. Is not enough to know that the members disagree; the leaders of the voluntary organisation must also be able to make an interpretation of what they disagree about. They must be able to channel the disagreement into politics. It is an important task to experiment with new ways of democratic communication in a loose-coupled environment. But you must also be able to implement new ideas of communication. In other words: *Without traditions (exploitation) you cannot formulate any kind of organisational borders.*

The theory of exploration and exploitation shows us the classic dilemma of Cartesian anxiety: Either we have a stable fundament of knowledge, or else we cannot escape the darkness of chaos and confusion. As Karl Weick (1995) notices, people need the thought that the world has given features and clear information. If they gave up the thought of the world as a stable place, they would fall down in idealism, nihilism or subjectivism. There may not be a clear philosophic answer to this dilemma, but maybe there are several practical answers. The question is whether voluntary organisations are still able to provide us with some of these answers.

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